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Before The
FEDERAL COMMUNICATIONS COMMISSION
Washington, D.C. 20554

APR 21 1993

In the Matter of

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FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

dial tone³ -- the Commission should ensure that any measures it adopts here will not inadvertently hinder the development of video dial tone or other new technologies that will provide badly needed competition to the monopoly cable industry.⁴

2. The Commission Should Apply Network Disclosure Rules to Cable of the Type That Apply to Telephone Companies

In the comments in this proceeding confirm⁵ cable

The Commission should begin to address this problem by applying to cable the same types of rules governing the disclosure of network information and the provision of CPE that already apply to telephone companies. Applying these rules to cable will help promote the development of more compatible, standardized equipment. It will also establish a measure of regulatory parity between these two industries that are increasingly direct competitors.

Specifically, the Commission should apply network disclosure rules to cable that require public disclosure of any network services and interfaces which affect the interoperability of consumer electronics or other customer premises equipment (including converters, remote controls, TVs and VCRs).⁶ Applying these rules to cable will ensure that competing equipment providers, manufacturers, and consumers have the information needed to design, market and select equipment that is compatible with individual cable systems.

In addition, the Commission should require cable operators to provide customer premises equipment on an unbundled, competitive basis. This will promote the development of a competitive market for cable equipment, and provide consumers

⁶ See Furnishing of Customer Premises Equipment, 2 FCC Rcd 143, 148-51 (1987), on recon., 3 FCC Rcd 22 (1987), aff'd, Illinois Bell Tel. Co. v. FCC, 883 F.2d 104 (D.C. Cir. 1989).

with the benefits of competition including greater choice and competitive prices.

3. The Commission Should Ensure That Any Measures Adopted Here Will Not Hinder New Technologies

To ensure the unimpeded development of new technologies which will compete with cable, the Commission should ensure participation by all types of video transport service providers in the development of any compatibility standards that may be adopted. This will help to ensure that any such standards are sufficiently flexible to accommodate new services and new technologies. This is particularly important in the case of video dial tone providers, which will make extensive use of advanced technologies that differ in many respects from the cable industry's embedded base.⁷

Contrary to the suggestions of some commentators,⁸ the Commission cannot simply turn a blind eye to the existence of these advanced technologies and competing service providers. For example, some commentators urge the Commission to adopt measures

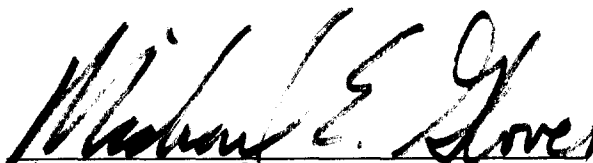
⁷ For example, video dial tone will make extensive use of digital transmission and compression technologies to deliver their services, whereas cable relies largely on older analog technologies. In addition to providing needed competition, these digital technologies will enable video dial tone providers to deliver services that consumers want but that are not available from the cable incumbents. These include the ability to provide several hundred channels of common carrier video transport capacity, true video on demand, interactive on screen menus or gateways, and other interactive video services.

⁸ See Comments of National Cable Television Ass'n at 33-34, 39; Comments of Community Antenna Television Ass'n at 15.

designed to end the use of all converter boxes.⁹ Without regard to whether or not this is possible in the context of analog cable systems, such a measure would hinder the development of video dial tone and delay the introduction of competition.¹⁰

Only with the participation of all interested parties can the Commission protect against the adoption of standards that might stymie new competitors and new technologies.

Respectfully submitted,



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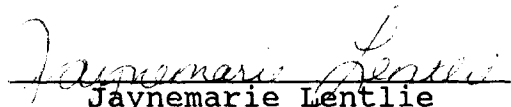
April 21, 1993

⁹ See Comments of Consumer Electronics Group of the Electronic Industry Ass'n at 39.

¹⁰ Because video dial tone will rely heavily on digital technologies, until the day when consumer electronics are uniformly digital compatible, a converter box will be needed to perform digital decoding functions. By the same token, converters may also be needed to provide interactive on-screen menus or other real-time interactive video services where consumer electronics are not compatible with these advanced services.

CERTIFICATE OF SERVICE

I hereby certify that a copy of the foregoing "Reply of Bell Atlantic" was served this 21st day of April, 1993, by delivery thereof by first class mail, postage prepaid, to the parties on the attached list.


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